

Statement of
Paul A. Volcker
Chairman of
The National Commission on the Public Service

Before the
Subcommittee on Civil Service
Committee on Post Office and Civil Service
U.S. House of Representatives

June 28, 1989

Good Morning Mr. Chairman.

I welcome this opportunity to appear before the Subcommittee on Civil Service on behalf of the National Commission on the Public Service, a group of 36 public spirited citizens with whom I have had the pleasure to work as their chairman over the past two years.

As you know, the Commission presented its report to the President and Congress on March 29 of this year. Its recommendations are now in the public domain and we welcome the hearings they are receiving in both houses of Congress.

The Commission as originally constituted essentially completed its work with the publication and distribution of its report. We have decided, however, to maintain its existence for another year by means of a Public Service Liaison Committee to encourage discussion of its recommendations, with the help of the many public interest groups in the country who share the Commission's concern about the effectiveness of the public service of government.

I have been asked to remain as chairman in an honorary capacity and have accepted that responsibility. However, leadership over the next year will be in the hands of Ambassador Robert Schaetzel, as President of the Commission's Board of Directors, and of Elmer Staats, who served as Comptroller General of the United States, as Chairman of the Board. Ambassador Bruce Laingen will continue to

serve as Executive Director.

I commend this subcommittee for its interest and for its positive approach in addressing the subject of negative perceptions of the public service and the damaging effects those perceptions can and do have.

I believe that your approach -- testimony from people who deal with government, from members of the news media, from those who represent the academic community, and not least from those who toil inside the public service itself -- is a constructive approach and a sound one. It is an approach that can help bring about a better understanding of the problem of perception, for there is no question that the public's perception of the civil servant -- and, let us be honest, the occasional not-so-civil-servant -- has reached a critical point.

The fact is that the present plight of the public service is based in part on misinformation. But we cannot let it rest there. One of the purposes of this Commission has been to help get the message across to the public about essential work done well by those in government. Until now, obviously, we have been less than totally successful in doing so.

Things aren't always what they seem to be but, unhappily, sometimes

they are. So we are dealing with both perceptions and realities. We know there are people at HUD who weren't doing the jobs they were getting paid to do. Something has been the matter with Pentagon procurement. There often is too much "red tape" and too little creative thinking.

But the perception that nobody at HUD has been earning his pay is one that will loom large in the public's mind unless we again and again remind them that the present scandal came to light because some employees were doing their jobs -- particularly, in this case one "faceless bureaucrat", a civil servant doing a routine job as a mid-level accountant who became suspicious of some minor irregularities. That person followed up and reported to the Inspector General - in short, a civil servant hard at work and doing it well.

We know that person is more representative of the civil service than those who are making the headlines today for unethical and self-serving actions. We have got to get that message out to the public at large more effectively than we do now. And we have to reconsider trends in the civil service that contribute to low morale, political excesses, and ethical lapses.

I well understand that there is no groundswell of public opinion out in the country prepared to support a pay raise for Federal employees, whether members of Congress, judges, cabinet members,

or the lower echelons of the Federal service. Quite to contrary, the opposition is visceral and vocal. But the need for a raise has been nonetheless evident to virtually all groups that have studied the situation objectively, including the Commission that I chaired. The President and members of Congress must lead the way in reminding the American people that it is in their best interest to have a government service where salaries are perceived as fair and equitable, and which demands a level of performance that goes with fair pay and decent working conditions.

In that connection, it is gratifying to see that almost two hundred daily newspapers in the nation recently have carried editorials supporting the notion of doing something about the pay issue. Most of them have also emphasized that, so far as the Congress is concerned, the issue of honoraria must first be dealt with, and I think they are right.

I would add, too, that we as a Commission firmly concluded that, should Congress find itself unable to move now in that direction, appropriate salary increases for the Judiciary and Executive should not be held hostage to that situation. Federal salaries at the executive level have lost as much as a third or more of their purchasing power in the last 20 years. A substantial pay raise is justified and urgently needed if government is to hold and attract a fair share of the talent of this country - and not rely on the immature, the rich, or those unable or unwilling to compete in the

private sector.

The debacle of the S&Ls, the procurement situation at the Pentagon, and the newly-found hemorrhage of taxpayer money at HUD certainly isn't helping any with respect to the image of the federal service. Neither are most of the radio talk show hosts around the country, as you well know. Yet, that distinguished news commentator for NBC, John Chancellor, gave us unqualified support on the air when the Commission report came out 12 weeks ago.

Few people know that Mr. Chancellor reluctantly accepted an appointment many years ago as head of the Voice of America -- reluctantly, because at the time he told his friends that once he worked for the government, he would be tainted and could never return to his first love, journalism. Well, he served his country for two or three years, was welcomed back to the journalistic fraternity, and as he will now acknowledge, it was an exciting and gratifying experience. In my opinion, it helped him reach the pinnacle of his profession, where he is today.

The fact of the matter is that, unless we repair the image and the substance of the public service, we risk more and more examples of poor performance, political distortion, and ethical failures. The best and the brightest of our young people as they come out of the universities -- or secondary schools, for that matter -- will

continue to turn elsewhere for challenge and a sense of satisfaction.

The civil service will decline into mediocrity. But the idea that we can settle for that in our public service could only become an invitation to mediocrity as a nation. The wishful thinkers are those who think a truly great nation can make do for long with a second class public service.

To succeed, we will have to deal with a lot more than salaries alone. That, Mr. Chairman, is why the Commission in its report put so much emphasis on what we termed "enriching the talent pool" - doing better than we are doing now in attracting more of our talented and energetic young people for government service. That is why we have recommended the establishment of a Presidential Public Service Scholarship Program, targeted to 1000 college students annually for those able to compete successfully and willing to make a special commitment to federal service. To assure wide interest and a diffusion of applicants, we propose nominations patterned on procedures followed by the military service academies.

We believe that scholarships of this kind - based on merit and making a special effort to attract minorities - would enhance attitudes toward government service generally. And such a program, using a selection process based on academic achievement, would make its own contribution to the all important element of quality in

government.

Today technology demands faster responses, not slower, to problems as widely removed as air safety and financial regulation. National security demands that we be able to procure military equipment that works and that we can afford. Our very survival may literally depend on how we respond to complex threats to our environment and to our health.

Somewhere it is written: "Only the best shall serve the state." I don't care whether that sentiment ever gets chiseled in stone. But I do think we all should care that it be a part of the American ethic and that we make it possible for the sentiment to be a reality.

The best are not being encouraged to serve the state now. And that is a national issue and an urgent one.

Mr. Chairman, the members of the National Commission and I are encouraged by the positive interest shown by your Committee and others in the Congress for our report and its recommendations. We have also been encouraged by the attitude taken by President Bush, and by the leadership he has expressed in building public appreciation for those in the public service.

In the end, the public's perception of public service will depend

upon performance. Without demonstrable quality, dedication, and professionalism on the part of those in government service, we cannot count on, or deserve public respect. But it is also true that the public's sense of the public service will improve only if the President and the leadership in Congress take the lead, not just in image making but in all the other things, large and small, that are necessary to enhance competence and performance.

To that end, the public service deserves a high and continuing place on the national agenda. To help keep it there, one of the Commission's most important recommendations is that the President and Congress establish an independent, bi-partisan, advisory council, one made up of representatives of the private sector as well as the executive and legislative branches of government. We have suggested that such a council be called upon to monitor the whole state of the career public service and to make a biennial report to the President. The President, in turn, would forward the report to Congress together with his own comments, including such recommendations for change that he may have.

I hope that your Committee, Mr. Chairman, will give this particular recommendation very careful and early consideration.

Thank you, and I will be happy to answer any questions you may have.